

FEDERAL RESERVE SYSTEM

[Docket No. R-1148]

Privacy Act of 1974;

Notice of Amendment of System of Records

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice; amendment of systems of records.

SUMMARY: In accordance with the Privacy Act, the Board of Governors of the Federal Reserve System (Board) is amending two systems of records, entitled Recruiting and Placement Records (BGFRS-1) and General Personnel Records (BGFRS-4). These amendments include new routine uses and reflect changes due to increased use of electronic records management. We invite public comment on this publication.

DATES: Comment must be received on or before **[Insert date 30 days after publication in the Federal Register].**

ADDRESSES: Comments should refer to Docket No. R-1148 and should be mailed to Ms. Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551, or mailed electronically to regs.comments@federalreserve.gov. Members of the public may inspect comments in Room MP-500 of the Martin Building between 9:00 a.m. and 5:00 p.m. on weekdays pursuant to § 261.12, except as provided in § 261.14, of the Board's Rules Regarding Availability of Information, 12 CFR 261.12 and 261.14.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boutilier, Managing Senior Counsel, Legal Division (202/452-2418), or Chris Fields, Assistant Director, Human Resources Function,

Management Division (202/452-3654). For the hearing impaired only, contact Telecommunications Device for the Deaf (TDD)(202/263-4869).

SUPPLEMENTARY INFORMATION:

Unlike most Federal government agencies whose personnel files are maintained by the Office of Personnel Management (OPM), the Board maintains its own recruiting and personnel files. because the Board has independent statutory authority to hire staff and set the salary and benefit terms for its staff. Accordingly, the recruiting and personnel files of Board employees are not contained in the systems of records identified as OPM/GOVT-1 and OPM/GOVT-5. Nevertheless, the Board's personnel and recruiting files are used in much the same manner as personnel and recruiting files of other federal employees, and the Board has adopted many of the routine uses that are included in OPM/GOVT-1 and OPM/GOVT-2. The current amendments being made to the routine uses are necessary due to changes in laws and increases in national security measures.

In accordance with 5 U.S.C. 552a(r), a report of these amended systems of records is being filed with the Chair of the House Committee on Government Reform and Oversight, the Chair of the Senate Committee on Governmental Affairs, and the Office of Management and Budget. These amendments will become effective on June 16a, 2003, without further notice, unless the Board publishes a notice to the contrary in the Federal Register.

Accordingly, the systems of records entitled FRB-Recruiting and Placement Records (BGFRS-1) and FRB-General Personnel Records (BGFRS-4) are amended as set forth below.

System name: BGFRS 1- Recruiting and Placement Records

System location:

Most records are maintained at the Board of Governors of the Federal Reserve System, 20th and Constitution, N.W., Washington, D.C. 20551. Some information, primarily resumes, is electronically collected and stored off-site on behalf of the Board by a contractor.

Categories of individuals covered by the system:

Persons who have applied for employment with the Federal Reserve Board.

Categories of records in the system:

The following categories of records are maintained in this system: resumes, applications, and supporting documentation submitted by persons seeking employment; information from job fairs; referrals from Federal Reserve Banks and other Federal government agencies; transcripts or notes from interviews with some applicants; notes of interviews with references; information regarding verification of education and/or military status; some employment inquiries (and responses) sent to the Chairman of the Board; and offer letters and related correspondence. Certain information is retained in an electronic database to enable the Board's Equal Employment Opportunity Office to monitor and track its recruiting and hiring performance.

Authority for maintenance of the system:

Sections 10 and 11 of the Federal Reserve Act (12 U.S.C. 244 and 248(l)).

Purpose(s):

These records are collected and maintained to assist the Board in recruiting and retaining qualified employees, and to allow the Board to periodically review its hiring practices.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

The information in the records may be used:

- a. By the National Archives and Records Administration in connection with records management inspections and its role as Archivist.
- b. To disclose to contractors, agents, or volunteers performing or working on a contract, service, cooperative agreement, or job for the Board.
- c. To disclose pertinent information to the appropriate Federal, State, or local agency responsible for investigating, prosecuting, enforcing, or implementing a statute, rule, regulation, or order, when the Board becomes aware of an indication of a violation or potential violation of civil or criminal law or regulation.
- d. To disclose information to any source from which additional information is requested (to the extent necessary to identify the individual, inform the source of the purpose(s) of the request, and to identify the type of information requested), when necessary to obtain information relevant to a Board decision to hire or retain an employee, issue a security clearance, conduct a security or suitability investigation of an individual, classify jobs, let a contract, or issue a license, grant, or other benefits.
- e. To disclose to a Federal agency or to a Federal Reserve Bank, in response to its request, or at the initiation of the Board, information in connection with the hiring of an employee, issuing a security clearance, conducting a security or suitability investigation of an individual, classifying positions, letting a contract, or issuing a license, grant, or other benefit by the requesting agency or Federal Reserve Bank, or the lawful statutory, administrative, or investigative purpose of the agency to

the extent that the information is relevant and necessary to the requesting agency's or Federal Reserve Bank's decision.

f. To provide information to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of the individual.

g. To disclose information to another Federal agency, a court, or a party in litigation before a court or in an administrative proceeding being conducted by a Federal agency, when the Board or United States is a party to the judicial or administrative proceeding.

h. To disclose information to the Department of Justice or in a proceeding before a court, adjudicative body, or other administrative body before which the Board is authorized to appear, when:

(1) The Board or any employee of the Board in his or her official capacity; or

(2) Any employee of the Board in his or her individual capacity where the Department of Justice or the Board has agreed to represent the employee; or

(3) The United States (when the Board determines that the litigation is likely to affect the Board) is a party to litigation or has an interest in such litigation, and the use of such records by the Department of Justice or the Board is deemed by the Board to be relevant and necessary to the litigation provided, however, that in each case it has been determined that the disclosure is compatible with the purpose for which the records were collected.

i. To disclose, in response to a request for discovery or for appearance of a witness, information that is relevant to the subject matter involved in a pending judicial or administrative proceeding.

j. To disclose information to the Equal Employment Opportunity Commission when requested in connection with investigations of alleged or possible discrimination practices in the Federal sector, examination of Federal affirmative employment programs, or other functions vested in the Commission.

k. To disclose information to the Merit Systems Protection Board or the Office of Special Counsel in connection with appeals, special studies of the civil service and other merit systems, review of Office rules and regulations, investigation of alleged or possible prohibited personnel practices, and such other functions, e.g., as prescribed in 5 U.S.C. chapter 12, or as may be authorized by law.

l. To disclose information to the Merit Systems Protection Board or the Office of Special Counsel in connection with appeals, special studies of the civil service and other merit systems, investigation of alleged or possible prohibited personnel practices, and such other functions promulgated in 5 U.S.C. chapter 12, or as may be authorized by law.

m. To disclose information in connection with the investigation and resolution of allegations of unfair labor practices before the Federal Reserve Board Labor Relations Panel when requested.

n. To disclose information to Federal, State, local, and professional licensing boards, Board of Medical Examiners, or to the Federation of State Medical Boards or a similar non-government entity which maintains records concerning individuals' employment histories or concerning the issuance, retention or revocation of licenses, certifications or registration necessary to practice an occupation, profession or speciality, in order to obtain information relevant to a Board decision

concerning the hiring, retention or termination of an employee or to inform a Federal agency or licensing boards or the appropriate non-government entities about the health care practices of a terminated, resigned or retired health care employee whose professional health care activity so significantly failed to conform to generally accepted standards of professional medical practice as to raise reasonable concern for the health and safety of patients in the private sector or from another Federal agency.

Disclosure to consumer reporting agencies:

Not applicable.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage: Since January 2000, records have been stored in an automated database and in paper format.

Retrievability: Resumes and related material received since January 2000 are retrievable by name and other identifying aspects in the automated database. Resumes and related material received prior to January 2000 are filed in paper form by year and job category, not by individually identifiable labels.

Safeguards: Access to computerized records is limited to those whose official duties require it.

Retention and disposal: Resumes are retained for two years. The retention period for other records is currently under review. Until review is completed, those records will not be destroyed.

System manager(s) and address:

Associate Director, Human Resources Function, Management Division, Board of Governors of the Federal Reserve System, 20th & Constitution, NW, Washington, DC 20551.

Notification procedure:

Inquiries should be sent to the Secretary of the Board, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, DC 20551. The request should contain the individual's name, date of birth, Social Security number, identification number (if known), approximate date of record, and type of position.

Record access procedures:

Current Board employees who wish to gain access to or contest their records should contact the system manager, address above. Former Board employees should direct such a request in writing to the Secretary of the Board, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, DC 20551. The request should contain the individual's name, date of birth, Social Security number, identification number (if known), approximate date of record, and type of position.

Contesting record procedures:

Same as "Record access procedures" above.

Record source categories:

Information comes from the job applicant; the transcript or notes from interviews with the applicant; notes from interviews and supporting documentation from references; OPM Personnel Management Records System; personnel records of other Government civilian or military agencies or Federal

Reserve Banks; and official transcripts and other documentation from schools identified by the applicant.

Systems exempted from certain provisions of the act:

Pursuant to subsections (k)(2) and (k)(5) of the Privacy Act and the Board's regulation relating thereto (12 CFR 261a), certain portions of this system of records may be exempted from certain provisions of the Act where: (1) such portions represent investigatory material compiled for law enforcement purposes, or (2) such portions represent investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Board employment to extent that disclosure of such portions would reveal the identity of a source who furnished information under a promise of confidentiality.

BGFRS - 4

System name: FRB -- General Personnel Records

Security classification: None.

System location:

Board of Governors of the Federal Reserve System, 20th and Constitution, N.W., Washington, D.C.
20551

Categories of individuals covered by the system:

Current and former employees of the Board, and the surviving spouses and children of former Board employees.

Categories of records in the system:

This system of records consists of information relating to employment determinations, such as salary and job classification actions, disciplinary actions, leave issues, reasonable accommodation decisions, Performance Management Program (PMP) appeals, grievances, as well as any other decisions made about an individual during the course of his or her employment by the Board. These records may contain information about employees and former employees relating to employment, placement, and personnel actions; academic assistance, and training and development activities; health conditions; background investigations; and salary actions. PMP ratings are included, but the actual PMP form is not included. Also included are: minority group and medical disability designators; records relating to benefits and designation of beneficiary; emergency contact information; address and name changes; information concerning awards; and other information relating to the status of the individual while employed by the Board, including records of jury duty by the employee and any doctor's certificate that may have been filed at the request of the employee regarding the employee's health. The system of records also contains information regarding surviving beneficiaries of deceased Board employees to the extent necessary to provide benefits to those individuals. All categories of records may include identifying information, such as name, date of birth, home address, mailing address, social security number, and home telephone.

Authority for maintenance of the system:

Sections 10 and 11 of the Federal Reserve Act (12 U.S.C. 244 and 248(l)).

Purpose(s):

These records are collected and maintained to assist the Board in its personnel actions and decisions, and in the administration of its benefits programs.

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

These records and information in these records may be used:

a. To disclose information to Government training facilities (Federal, State, and local) and to non-Government training facilities (private vendors of training courses or programs, private schools, etc.) for training purposes.

b. To disclose information to educational institutions on appointment of a recent graduate to a position at the Board, and to provide college and university officials with information about their students who are working in internships or other similar programs necessary to a student's obtaining credit for the experience gained.

c. To disclose information to the Department of Labor, Department of Veterans Affairs, Social Security Administration, Department of Defense, a Federal Reserve Bank, or any Federal agencies that have special civilian employee retirement programs; or to a national, State, county, municipal, or other publicly recognized charitable or income security, administration agency (e.g., State unemployment compensation agencies), when necessary to adjudicate a claim under the retirement, insurance, unemployment, or health benefits programs of the Board, a Federal Reserve Bank, or any agency cited above, or to an agency to conduct an analytical study or audit of benefits being paid under such programs.

d. To disclose to the Office of Federal Employees Group Life Insurance, information necessary to verify election, declination, or waiver of regular and/or optional life insurance coverage,

eligibility for payment of a claim for life insurance, or a Thrift Savings Program (TSP) election change and designation of beneficiary.

e. To disclose to an employee, agent, contractor, or administrator of any Board, Federal Reserve System, or Federal government employee benefit or savings plan, any information necessary to carry out any function authorized under such plan, or to carry out the coordination or audit of a benefit or savings plan.

f. To disclose pertinent information to the appropriate Federal, State, or local agency responsible for investigating, prosecuting, enforcing, or implementing a statute, rule, regulation, or order, when the Board becomes aware of an indication of a violation or potential violation of civil or criminal law or regulation.

g. To disclose information to any source from which additional information is requested (to the extent necessary to identify the individual, inform the source of the purpose(s) of the request, and to identify the type of information requested), when necessary to obtain information relevant to a Board decision to hire or retain an employee, issue a security clearance, conduct a security or suitability investigation of an individual, classify jobs, let a contract, or issue a license, grant, or other benefits.

h. To disclose to a Federal agency in the executive, legislative or judicial branch of government, or to a Federal Reserve Bank, in response to its request, or at the initiation of the Board, information in connection with the hiring of an employee, the issuance of a security clearance, the conducting of a security or suitability investigation of an individual, the classifying of jobs, the letting of a contract, the issuance of a license, grant, or other benefits by the requesting agency, or the lawful

statutory, administrative, or investigative purpose of the agency to the extent that the information is relevant and necessary to the requesting agency's decision.

i. To provide information to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of the individual.

j. To disclose information to another Federal agency, a court, or a party in litigation before a court or in an administrative proceeding being conducted by a Federal agency, when the Board or United States is a party to the judicial or administrative proceeding.

k. To disclose information to the Department of Justice, or in a proceeding before a court, adjudicative body, or other administrative body before which the Board is authorized to appear, when:

(1) The Board or any employee of the Board in his or her official capacity; or

(2) Any employee of the Board in his or her individual capacity where the Department of Justice or the Board has agreed to represent the employee; or

(3) The United States (when the Board determines that the litigation is likely to affect the Board) is a party to litigation or has an interest in such litigation, and the use of such records by the Department of Justice or the Board is deemed by the Board to be relevant and necessary to the litigation provided, however, that in each case it has been determined that the disclosure is compatible with the purpose for which the records were collected.

l. By the National Archives and Records Administration in connection with records management inspections and its role as Archivist.

m. When an individual to whom a record pertains is deceased, or mentally incompetent, or under other legal disability, information in the individual's record may be disclosed to the executor of the individual's estate, the government entity probating a will, a designated beneficiary, or to any person who is responsible for the care of the individual, to the extent necessary to assure payment of benefits to which the individual, heir, or beneficiary is entitled.

n. To disclose to the Board-appointed representative of an employee all notices, determination, decisions, or other written communications issued to the employee, in connection with an examination ordered by the Board under fitness-for-duty examination procedures.

o. To disclose, in response to a request for discovery or for appearance of a witness, information that is relevant to the subject matter involved in a pending judicial or administrative proceeding.

p. To disclose to a requesting agency, organization, or individual the home address and other relevant information on those individuals who it reasonably believed might have contracted an illness or might have been exposed to or suffered from a health hazard while employed in the Federal workforce.

q. To disclose information to the Equal Employment Opportunity Commission when requested in connection with investigations of alleged or possible discrimination practices in the Federal sector, examination of Federal affirmative employment programs, or other functions vested in the Commission.

r. To disclose to prospective non-Federal employers the following information about a specifically identified current or former Board employee: (1) tenure of employment; (2) civil service

status; (3) length of service at the Board and in the Government; and (4) when separated, the date and nature of action as shown on the Job Action.

s. To disclose information to contractors, agents, or volunteers performing or working on a contract, service, cooperative agreement, or job for the Board.

t. To disclose information to a Federal, State or local governmental entity or agency (or its agent) when necessary to locate individuals who are owed money or property either by a Federal, State, or local agency, or by a financial or similar institution.

u. To disclose to a spouse or dependent child (or court-appointed guardian thereof) of a Board employee enrolled in the Federal Employees Health Benefits Program, upon request, whether the employee has changed from a self-and-family to a self-only health benefits enrollment.

v. To verify for an entity preparing to make a loan to an employee the individual's employment status and salary.

w. To disclose information to officials of labor organizations recognized under applicable law when relevant and necessary to their duties of exclusive representation concerning personnel policies, practices, and matters affecting working conditions.

x.. To disclose information to the Merit Systems Protection Board or the Office of Special Counsel in connection with appeals, special studies of the civil service and other merit systems, review of Office rules and regulations, investigation of alleged or possible prohibited personnel practices, and such other functions promulgated in 5 U.S.C. chapter 12, or as may be authorized by law.

y. To disclose information to officials of foreign governments for clearance before a Board employee is assigned to that country.

z. To disclose information to a Federal, State, or local agency for determination of an individual's entitlement to benefits in connection with Federal Housing Administration programs.

aa. To consider and select employees for incentive awards and other honors and to publicize those granted. This may include disclosure to other public and private organizations, including news media, which grant or publicize employee recognition.

bb. To disclose specific Board or civil service employment information required under law by the Department of Defense on individuals identified as members of the Ready Reserve to assure continuous mobilization readiness of Ready Reserve units and members, and to identify demographic characteristics of Board or civil service retirees for national emergency mobilization purposes.

cc. To disclose information to the Department of Defense, National Oceanic and Atmospheric Administration, U.S. Public Health Service, Department of Veterans Affairs, and the U.S. Coast Guard needed to effect any adjustments in retired or retained pay required by the dual compensation provisions of section 5532 of title 5, United States Code.

dd. To disclose information in connection with the investigation and resolution of election disputes or other matters within the jurisdiction of the Federal Reserve Board Labor Relations Panel when requested.

ee. To disclose relevant information with personal identifiers of Board employees to authorized Federal agencies and non-Federal entities for use in computer matching. The matches will be performed to help eliminate waste, fraud, and abuse in Governmental programs; to help identify

individuals who are potentially in violation of civil or criminal law or regulation; and to collect debts and overpayments owed to Federal, State, or local governments and their components. The information disclosed may include, but is not limited to, the name, social security number, date of birth, sex, annualized salary rate, service computation date of basic active service, veteran's preference, retirement status, occupational services, health plan code, position occupied, work schedule (full time, part time, or intermittent), duty station location, standard metropolitan service area, special program identifier, and submitting office number of Board employees.

ff. To disclose information to Federal, State, local, and professional licensing boards, Board of Medical Examiners, or to the Federation of State Medical Boards or a similar non-government entity which maintains records concerning individuals' employment histories or concerning the issuance, retention or revocation of licenses, certifications or registration necessary to practice an occupation, profession or speciality, in order to obtain information relevant to a Board decision concerning the hiring, retention or termination of an employee or to inform a Federal agency or licensing boards or the appropriate non-government entities about the health care practices of a terminated, resigned or retired health care employee whose professional health care activity so significantly failed to conform to generally accepted standards of professional medical practice as to raise reasonable concern for the health and safety of patients in the private sector or from another Federal agency.

gg. To disclose information to the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services, Federal Parent Locator System and Federal Offset System for use in locating individuals, verifying social security numbers, and

identifying their incomes sources to establish paternity, establish and modify orders of support for enforcement action.

hh. To disclose to Federal Reserve Bank personnel responsible for assigning examination or inspection staff information concerning a current employee's job qualifications and specializations and that employee's availability for assignment.

Disclosure to consumer reporting agencies:

Not applicable.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage. Records are maintained in file folders, microfiche, and in electronic storage media.

Retrievability. Records are indexed by name, Social Security number, or identification number.

Electronically maintained records may be sorted and retrieved by other variables, such as date of birth, division in which an employee works, or date of hire.

Safeguards. Paper or microfiche records are located in locked metal file cabinets or in metal file cabinets in secured rooms with access limited to those whose official duties require it. Access to electronic records is limited, through use of access codes, to those whose official duties require it. In addition, access to electronic records can be tracked through an automatically-generated audit trail.

Retention and disposal. The general employment records are retained indefinitely. An individual's benefits records are maintained until the death of the last surviving beneficiary.

System manager and address:

Associate Director, Human Resources Function, Management Division, Board of Governors of the Federal Reserve System, 20th & Constitution, NW, Washington, DC 20551.

Notification procedure:

Inquiries should be sent to the Secretary of the Board, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, DC 20551. The request should contain the individual's name, date of birth, Social Security number, identification number (if known), approximate date of record, and type of position.

Record access procedures.

Current Board employees who wish to gain access to or contest their records should contact the system manager, address above. Former Board employees should direct such a request in writing to the Secretary of the Board, Board of Governors of the Federal Reserve System, 20th and Constitution Avenue, N.W., Washington, DC 20551. The request should contain the individual's name, date of birth, Social Security number, identification number (if known), approximate date of record, and type of position.

Contesting record procedures:

Same as "Notification procedure" above.

Record source categories.

Information in this system of records comes from the individual to whom it applies or is derived from the information the individual supplied, except information provided by Board officials. Information is also obtained from the following sources: OPM Personnel Management Records System; personnel

records of other Government agencies; personnel records of Federal Reserve Banks; and official transcripts from schools when authorized by the employee.

Systems exempted from certain provisions of the Act:

Pursuant to subsections (k)(2) and (k)(5) of the Privacy Act and the Board's regulation relating thereto (12 CFR 261a), certain portions of this system of records may be exempted from certain provisions of the Act where: (1) such portions represent investigatory material compiled for law enforcement purposes, or (2) such portions represent investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Board employment to extent that disclosure of such portions would reveal the identity of a source who furnished information under a promise of confidentiality.

By order of the Board of Governors of the Federal Reserve System, April 22, 2003.

/signed/

Jennifer J. Johnson,
Secretary of the Board